



**93RD GENERAL ASSEMBLY**  
**State of Illinois**  
**2003 and 2004**

Introduced 02/09/04, by Robin Kelly

**SYNOPSIS AS INTRODUCED:**

35 ILCS 200/18-185

Amends the Property Tax Extension Limitation Law in the Property Tax Code. Exempts from the extension limitation those extensions made by a public library district for the establishment, maintenance, and support of a public library or libraries within the district or for contracting for library service. Effective October 1, 2004.

LRB093 16261 SJM 41896 b

FISCAL NOTE ACT  
MAY APPLY

HOUSING  
AFFORDABILITY  
IMPACT NOTE ACT  
MAY APPLY

1 AN ACT concerning taxes.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing  
5 Section 18-185 as follows:

6 (35 ILCS 200/18-185)

7 Sec. 18-185. Short title; definitions. This Division 5 may  
8 be cited as the Property Tax Extension Limitation Law. As used  
9 in this Division 5:

10 "Consumer Price Index" means the Consumer Price Index for  
11 All Urban Consumers for all items published by the United  
12 States Department of Labor.

13 "Extension limitation" means (a) the lesser of 5% or the  
14 percentage increase in the Consumer Price Index during the  
15 12-month calendar year preceding the levy year or (b) the rate  
16 of increase approved by voters under Section 18-205.

17 "Affected county" means a county of 3,000,000 or more  
18 inhabitants or a county contiguous to a county of 3,000,000 or  
19 more inhabitants.

20 "Taxing district" has the same meaning provided in Section  
21 1-150, except as otherwise provided in this Section. For the  
22 1991 through 1994 levy years only, "taxing district" includes  
23 only each non-home rule taxing district having the majority of  
24 its 1990 equalized assessed value within any county or counties  
25 contiguous to a county with 3,000,000 or more inhabitants.  
26 Beginning with the 1995 levy year, "taxing district" includes  
27 only each non-home rule taxing district subject to this Law  
28 before the 1995 levy year and each non-home rule taxing  
29 district not subject to this Law before the 1995 levy year  
30 having the majority of its 1994 equalized assessed value in an  
31 affected county or counties. Beginning with the levy year in  
32 which this Law becomes applicable to a taxing district as

1 provided in Section 18-213, "taxing district" also includes  
2 those taxing districts made subject to this Law as provided in  
3 Section 18-213.

4 "Aggregate extension" for taxing districts to which this  
5 Law applied before the 1995 levy year means the annual  
6 corporate extension for the taxing district and those special  
7 purpose extensions that are made annually for the taxing  
8 district, excluding special purpose extensions: (a) made for  
9 the taxing district to pay interest or principal on general  
10 obligation bonds that were approved by referendum; (b) made for  
11 any taxing district to pay interest or principal on general  
12 obligation bonds issued before October 1, 1991; (c) made for  
13 any taxing district to pay interest or principal on bonds  
14 issued to refund or continue to refund those bonds issued  
15 before October 1, 1991; (d) made for any taxing district to pay  
16 interest or principal on bonds issued to refund or continue to  
17 refund bonds issued after October 1, 1991 that were approved by  
18 referendum; (e) made for any taxing district to pay interest or  
19 principal on revenue bonds issued before October 1, 1991 for  
20 payment of which a property tax levy or the full faith and  
21 credit of the unit of local government is pledged; however, a  
22 tax for the payment of interest or principal on those bonds  
23 shall be made only after the governing body of the unit of  
24 local government finds that all other sources for payment are  
25 insufficient to make those payments; (f) made for payments  
26 under a building commission lease when the lease payments are  
27 for the retirement of bonds issued by the commission before  
28 October 1, 1991, to pay for the building project; (g) made for  
29 payments due under installment contracts entered into before  
30 October 1, 1991; (h) made for payments of principal and  
31 interest on bonds issued under the Metropolitan Water  
32 Reclamation District Act to finance construction projects  
33 initiated before October 1, 1991; (i) made for payments of  
34 principal and interest on limited bonds, as defined in Section  
35 3 of the Local Government Debt Reform Act, in an amount not to  
36 exceed the debt service extension base less the amount in items

1 (b), (c), (e), and (h) of this definition for non-referendum  
2 obligations, except obligations initially issued pursuant to  
3 referendum; (j) made for payments of principal and interest on  
4 bonds issued under Section 15 of the Local Government Debt  
5 Reform Act; (k) made by a school district that participates in  
6 the Special Education District of Lake County, created by  
7 special education joint agreement under Section 10-22.31 of the  
8 School Code, for payment of the school district's share of the  
9 amounts required to be contributed by the Special Education  
10 District of Lake County to the Illinois Municipal Retirement  
11 Fund under Article 7 of the Illinois Pension Code; the amount  
12 of any extension under this item (k) shall be certified by the  
13 school district to the county clerk; ~~and~~ (l) made to fund  
14 expenses of providing joint recreational programs for the  
15 handicapped under Section 5-8 of the Park District Code or  
16 Section 11-95-14 of the Illinois Municipal Code; and (m) made  
17 by a public library district under subsection (a) of Section  
18 35-5 of the Public Library District Act of 1991.

19 "Aggregate extension" for the taxing districts to which  
20 this Law did not apply before the 1995 levy year (except taxing  
21 districts subject to this Law in accordance with Section  
22 18-213) means the annual corporate extension for the taxing  
23 district and those special purpose extensions that are made  
24 annually for the taxing district, excluding special purpose  
25 extensions: (a) made for the taxing district to pay interest or  
26 principal on general obligation bonds that were approved by  
27 referendum; (b) made for any taxing district to pay interest or  
28 principal on general obligation bonds issued before March 1,  
29 1995; (c) made for any taxing district to pay interest or  
30 principal on bonds issued to refund or continue to refund those  
31 bonds issued before March 1, 1995; (d) made for any taxing  
32 district to pay interest or principal on bonds issued to refund  
33 or continue to refund bonds issued after March 1, 1995 that  
34 were approved by referendum; (e) made for any taxing district  
35 to pay interest or principal on revenue bonds issued before  
36 March 1, 1995 for payment of which a property tax levy or the

1 full faith and credit of the unit of local government is  
2 pledged; however, a tax for the payment of interest or  
3 principal on those bonds shall be made only after the governing  
4 body of the unit of local government finds that all other  
5 sources for payment are insufficient to make those payments;  
6 (f) made for payments under a building commission lease when  
7 the lease payments are for the retirement of bonds issued by  
8 the commission before March 1, 1995 to pay for the building  
9 project; (g) made for payments due under installment contracts  
10 entered into before March 1, 1995; (h) made for payments of  
11 principal and interest on bonds issued under the Metropolitan  
12 Water Reclamation District Act to finance construction  
13 projects initiated before October 1, 1991; (i) made for  
14 payments of principal and interest on limited bonds, as defined  
15 in Section 3 of the Local Government Debt Reform Act, in an  
16 amount not to exceed the debt service extension base less the  
17 amount in items (b), (c), and (e) of this definition for  
18 non-referendum obligations, except obligations initially  
19 issued pursuant to referendum and bonds described in subsection  
20 (h) of this definition; (j) made for payments of principal and  
21 interest on bonds issued under Section 15 of the Local  
22 Government Debt Reform Act; (k) made for payments of principal  
23 and interest on bonds authorized by Public Act 88-503 and  
24 issued under Section 20a of the Chicago Park District Act for  
25 aquarium or museum projects; (l) made for payments of principal  
26 and interest on bonds authorized by Public Act 87-1191 or  
27 93-601 ~~this amendatory Act of the 93rd General Assembly~~ and (i)  
28 issued pursuant to Section 21.2 of the Cook County Forest  
29 Preserve District Act, (ii) issued under Section 42 of the Cook  
30 County Forest Preserve District Act for zoological park  
31 projects, or (iii) issued under Section 44.1 of the Cook County  
32 Forest Preserve District Act for botanical gardens projects;  
33 (m) made pursuant to Section 34-53.5 of the School Code,  
34 whether levied annually or not; (n) made to fund expenses of  
35 providing joint recreational programs for the handicapped  
36 under Section 5-8 of the Park District Code or Section 11-95-14

1 of the Illinois Municipal Code; ~~and~~ (o) made by the Chicago  
2 Park District for recreational programs for the handicapped  
3 under subsection (c) of Section 7.06 of the Chicago Park  
4 District Act; and (p) made by a public library district under  
5 subsection (a) of Section 35-5 of the Public Library District  
6 Act of 1991.

7 "Aggregate extension" for all taxing districts to which  
8 this Law applies in accordance with Section 18-213, except for  
9 those taxing districts subject to paragraph (2) of subsection  
10 (e) of Section 18-213, means the annual corporate extension for  
11 the taxing district and those special purpose extensions that  
12 are made annually for the taxing district, excluding special  
13 purpose extensions: (a) made for the taxing district to pay  
14 interest or principal on general obligation bonds that were  
15 approved by referendum; (b) made for any taxing district to pay  
16 interest or principal on general obligation bonds issued before  
17 the date on which the referendum making this Law applicable to  
18 the taxing district is held; (c) made for any taxing district  
19 to pay interest or principal on bonds issued to refund or  
20 continue to refund those bonds issued before the date on which  
21 the referendum making this Law applicable to the taxing  
22 district is held; (d) made for any taxing district to pay  
23 interest or principal on bonds issued to refund or continue to  
24 refund bonds issued after the date on which the referendum  
25 making this Law applicable to the taxing district is held if  
26 the bonds were approved by referendum after the date on which  
27 the referendum making this Law applicable to the taxing  
28 district is held; (e) made for any taxing district to pay  
29 interest or principal on revenue bonds issued before the date  
30 on which the referendum making this Law applicable to the  
31 taxing district is held for payment of which a property tax  
32 levy or the full faith and credit of the unit of local  
33 government is pledged; however, a tax for the payment of  
34 interest or principal on those bonds shall be made only after  
35 the governing body of the unit of local government finds that  
36 all other sources for payment are insufficient to make those

1 payments; (f) made for payments under a building commission  
2 lease when the lease payments are for the retirement of bonds  
3 issued by the commission before the date on which the  
4 referendum making this Law applicable to the taxing district is  
5 held to pay for the building project; (g) made for payments due  
6 under installment contracts entered into before the date on  
7 which the referendum making this Law applicable to the taxing  
8 district is held; (h) made for payments of principal and  
9 interest on limited bonds, as defined in Section 3 of the Local  
10 Government Debt Reform Act, in an amount not to exceed the debt  
11 service extension base less the amount in items (b), (c), and  
12 (e) of this definition for non-referendum obligations, except  
13 obligations initially issued pursuant to referendum; (i) made  
14 for payments of principal and interest on bonds issued under  
15 Section 15 of the Local Government Debt Reform Act; (j) made  
16 for a qualified airport authority to pay interest or principal  
17 on general obligation bonds issued for the purpose of paying  
18 obligations due under, or financing airport facilities  
19 required to be acquired, constructed, installed or equipped  
20 pursuant to, contracts entered into before March 1, 1996 (but  
21 not including any amendments to such a contract taking effect  
22 on or after that date); ~~and~~ (k) made to fund expenses of  
23 providing joint recreational programs for the handicapped  
24 under Section 5-8 of the Park District Code or Section 11-95-14  
25 of the Illinois Municipal Code; and (l) made by a public  
26 library district under subsection (a) of Section 35-5 of the  
27 Public Library District Act of 1991.

28 "Aggregate extension" for all taxing districts to which  
29 this Law applies in accordance with paragraph (2) of subsection  
30 (e) of Section 18-213 means the annual corporate extension for  
31 the taxing district and those special purpose extensions that  
32 are made annually for the taxing district, excluding special  
33 purpose extensions: (a) made for the taxing district to pay  
34 interest or principal on general obligation bonds that were  
35 approved by referendum; (b) made for any taxing district to pay  
36 interest or principal on general obligation bonds issued before

1 the effective date of this amendatory Act of 1997; (c) made for  
2 any taxing district to pay interest or principal on bonds  
3 issued to refund or continue to refund those bonds issued  
4 before the effective date of this amendatory Act of 1997; (d)  
5 made for any taxing district to pay interest or principal on  
6 bonds issued to refund or continue to refund bonds issued after  
7 the effective date of this amendatory Act of 1997 if the bonds  
8 were approved by referendum after the effective date of this  
9 amendatory Act of 1997; (e) made for any taxing district to pay  
10 interest or principal on revenue bonds issued before the  
11 effective date of this amendatory Act of 1997 for payment of  
12 which a property tax levy or the full faith and credit of the  
13 unit of local government is pledged; however, a tax for the  
14 payment of interest or principal on those bonds shall be made  
15 only after the governing body of the unit of local government  
16 finds that all other sources for payment are insufficient to  
17 make those payments; (f) made for payments under a building  
18 commission lease when the lease payments are for the retirement  
19 of bonds issued by the commission before the effective date of  
20 this amendatory Act of 1997 to pay for the building project;  
21 (g) made for payments due under installment contracts entered  
22 into before the effective date of this amendatory Act of 1997;  
23 (h) made for payments of principal and interest on limited  
24 bonds, as defined in Section 3 of the Local Government Debt  
25 Reform Act, in an amount not to exceed the debt service  
26 extension base less the amount in items (b), (c), and (e) of  
27 this definition for non-referendum obligations, except  
28 obligations initially issued pursuant to referendum; (i) made  
29 for payments of principal and interest on bonds issued under  
30 Section 15 of the Local Government Debt Reform Act; (j) made  
31 for a qualified airport authority to pay interest or principal  
32 on general obligation bonds issued for the purpose of paying  
33 obligations due under, or financing airport facilities  
34 required to be acquired, constructed, installed or equipped  
35 pursuant to, contracts entered into before March 1, 1996 (but  
36 not including any amendments to such a contract taking effect



1 on or after that date); ~~and~~ (k) made to fund expenses of  
2 providing joint recreational programs for the handicapped  
3 under Section 5-8 of the Park District Code or Section 11-95-14  
4 of the Illinois Municipal Code; and (l) made by a public  
5 library district under subsection (a) of Section 35-5 of the  
6 Public Library District Act of 1991.

7 "Debt service extension base" means an amount equal to that  
8 portion of the extension for a taxing district for the 1994  
9 levy year, or for those taxing districts subject to this Law in  
10 accordance with Section 18-213, except for those subject to  
11 paragraph (2) of subsection (e) of Section 18-213, for the levy  
12 year in which the referendum making this Law applicable to the  
13 taxing district is held, or for those taxing districts subject  
14 to this Law in accordance with paragraph (2) of subsection (e)  
15 of Section 18-213 for the 1996 levy year, constituting an  
16 extension for payment of principal and interest on bonds issued  
17 by the taxing district without referendum, but not including  
18 excluded non-referendum bonds. For park districts (i) that were  
19 first subject to this Law in 1991 or 1995 and (ii) whose  
20 extension for the 1994 levy year for the payment of principal  
21 and interest on bonds issued by the park district without  
22 referendum (but not including excluded non-referendum bonds)  
23 was less than 51% of the amount for the 1991 levy year  
24 constituting an extension for payment of principal and interest  
25 on bonds issued by the park district without referendum (but  
26 not including excluded non-referendum bonds), "debt service  
27 extension base" means an amount equal to that portion of the  
28 extension for the 1991 levy year constituting an extension for  
29 payment of principal and interest on bonds issued by the park  
30 district without referendum (but not including excluded  
31 non-referendum bonds). The debt service extension base may be  
32 established or increased as provided under Section 18-212.

33 "Excluded non-referendum bonds" means (i) bonds authorized by  
34 Public Act 88-503 and issued under Section 20a of the Chicago  
35 Park District Act for aquarium and museum projects; (ii) bonds  
36 issued under Section 15 of the Local Government Debt Reform

1 Act; or (iii) refunding obligations issued to refund or to  
2 continue to refund obligations initially issued pursuant to  
3 referendum.

4 "Special purpose extensions" include, but are not limited  
5 to, extensions for levies made on an annual basis for  
6 unemployment and workers' compensation, self-insurance,  
7 contributions to pension plans, and extensions made pursuant to  
8 Section 6-601 of the Illinois Highway Code for a road  
9 district's permanent road fund whether levied annually or not.  
10 The extension for a special service area is not included in the  
11 aggregate extension.

12 "Aggregate extension base" means the taxing district's  
13 last preceding aggregate extension as adjusted under Sections  
14 18-215 through 18-230.

15 "Levy year" has the same meaning as "year" under Section  
16 1-155.

17 "New property" means (i) the assessed value, after final  
18 board of review or board of appeals action, of new improvements  
19 or additions to existing improvements on any parcel of real  
20 property that increase the assessed value of that real property  
21 during the levy year multiplied by the equalization factor  
22 issued by the Department under Section 17-30, (ii) the assessed  
23 value, after final board of review or board of appeals action,  
24 of real property not exempt from real estate taxation, which  
25 real property was exempt from real estate taxation for any  
26 portion of the immediately preceding levy year, multiplied by  
27 the equalization factor issued by the Department under Section  
28 17-30, and (iii) in counties that classify in accordance with  
29 Section 4 of Article IX of the Illinois Constitution, an  
30 incentive property's additional assessed value resulting from  
31 a scheduled increase in the level of assessment as applied to  
32 the first year final board of review market value. In addition,  
33 the county clerk in a county containing a population of  
34 3,000,000 or more shall include in the 1997 recovered tax  
35 increment value for any school district, any recovered tax  
36 increment value that was applicable to the 1995 tax year

1 calculations.

2 "Qualified airport authority" means an airport authority  
3 organized under the Airport Authorities Act and located in a  
4 county bordering on the State of Wisconsin and having a  
5 population in excess of 200,000 and not greater than 500,000.

6 "Recovered tax increment value" means, except as otherwise  
7 provided in this paragraph, the amount of the current year's  
8 equalized assessed value, in the first year after a  
9 municipality terminates the designation of an area as a  
10 redevelopment project area previously established under the  
11 Tax Increment Allocation Development Act in the Illinois  
12 Municipal Code, previously established under the Industrial  
13 Jobs Recovery Law in the Illinois Municipal Code, or previously  
14 established under the Economic Development Area Tax Increment  
15 Allocation Act, of each taxable lot, block, tract, or parcel of  
16 real property in the redevelopment project area over and above  
17 the initial equalized assessed value of each property in the  
18 redevelopment project area. For the taxes which are extended  
19 for the 1997 levy year, the recovered tax increment value for a  
20 non-home rule taxing district that first became subject to this  
21 Law for the 1995 levy year because a majority of its 1994  
22 equalized assessed value was in an affected county or counties  
23 shall be increased if a municipality terminated the designation  
24 of an area in 1993 as a redevelopment project area previously  
25 established under the Tax Increment Allocation Development Act  
26 in the Illinois Municipal Code, previously established under  
27 the Industrial Jobs Recovery Law in the Illinois Municipal  
28 Code, or previously established under the Economic Development  
29 Area Tax Increment Allocation Act, by an amount equal to the  
30 1994 equalized assessed value of each taxable lot, block,  
31 tract, or parcel of real property in the redevelopment project  
32 area over and above the initial equalized assessed value of  
33 each property in the redevelopment project area. In the first  
34 year after a municipality removes a taxable lot, block, tract,  
35 or parcel of real property from a redevelopment project area  
36 established under the Tax Increment Allocation Development Act

1 in the Illinois Municipal Code, the Industrial Jobs Recovery  
2 Law in the Illinois Municipal Code, or the Economic Development  
3 Area Tax Increment Allocation Act, "recovered tax increment  
4 value" means the amount of the current year's equalized  
5 assessed value of each taxable lot, block, tract, or parcel of  
6 real property removed from the redevelopment project area over  
7 and above the initial equalized assessed value of that real  
8 property before removal from the redevelopment project area.

9 Except as otherwise provided in this Section, "limiting  
10 rate" means a fraction the numerator of which is the last  
11 preceding aggregate extension base times an amount equal to one  
12 plus the extension limitation defined in this Section and the  
13 denominator of which is the current year's equalized assessed  
14 value of all real property in the territory under the  
15 jurisdiction of the taxing district during the prior levy year.  
16 For those taxing districts that reduced their aggregate  
17 extension for the last preceding levy year, the highest  
18 aggregate extension in any of the last 3 preceding levy years  
19 shall be used for the purpose of computing the limiting rate.  
20 The denominator shall not include new property. The denominator  
21 shall not include the recovered tax increment value.

22 (Source: P.A. 92-547, eff. 6-13-02; 93-601, eff. 1-1-04;  
23 93-606, eff. 11-18-03; 93-612, eff. 11-18-03; revised  
24 12-10-03.)

25 Section 99. Effective date. This Act takes effect on  
26 October 1, 2004.